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# Spotlight

## ON FOREIGN MARKETING

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TO FAS MARKET DEVELOPMENT COOPERATORS AND AGRICULTURAL ATTACHES

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### MARKET DEVELOPMENT WORK- SHOP PLANNED FOR LATIN AMERICA

C & R-ASH

A 4-day workshop on market development administration and marketing plans will be held at Bogota, Colombia, April 20-23. Agricultural attaches, embassy budget and fiscal officers, and cooperators with active programs in Latin America are being invited to attend.

The first two days will follow the pattern of the administrative workshops recently concluded in Europe and Japan. There will be a full discussion of fiscal reporting and records, personnel administration, new and revised provisions of Chapter 4, reimbursement voucher preparation and processing, and the planning, writing, clearance, and funding of agreements.

The third and fourth days will be devoted to a workshop on the five elements in marketing plans as they apply to marketing problems and opportunities in the area. Agricultural attaches and cooperator representatives in Latin America are being invited to take an active part in the program.

The FAS team for the workshops will be David L. Hume, Assistant Adminis-



Princess Margaret visiting with Ann Smith, country director, Rice Council, and Bob Mannion, manager of the U.S. exhibit at the Ideal Home Show in London. American beef, rice, poultry, soybean oil, honey and raisin bread were among the featured items at the exhibit.

trator for Export Programs; H. Reiter Webb, Jr., Chief, Analysis and Evaluation Branch; and Francis S. Harrell, Chief, Program Funds Branch.

## SIGN-UP BEHIND SCHEDULE

The sign-up for market development agreements is running behind schedule. Cooperators are urged to get their Approvals in Principle to the commodity divisions at the earliest possible date. These AP's must be received by the Trade Projects Division no later than May 1 to allow time for the review and clearances, preparation and signing of the agreements, and notifications to posts before the June 30 fiscal year deadline.

## WHEAT SALES UP IN JAPAN

U.S. wheat exports to Japan are now at an annual rate of about 1.6 million tons, nearly double the volume of five years ago.

Several factors have contributed to this increase:

Reduced rail freight rates from the central plains area to the West Coast helped place U.S. hard winter wheats in a competitive position.

Educational programs by Wheat Associates then helped convince Japanese millers and bakers that they could successfully use hard winter wheats in their bakery products.

Similar possibilities now exist for U.S. hard spring and durum wheats. The Japanese are interested in these wheats and have purchased some trial lots for test milling. A 1,200-ton trial shipment left Longview, Washington March 12. As was the case with the hard winter wheats, the question of

freight rates and a competitive price on the West Coast is involved.

Meanwhile, Wheat Associates is working with Japanese processors in developing flour formulas and other means of bringing about a continual expanding use of U.S. wheats in Japan.

## DUTCH DEVELOPMENT TRAIN

An example of what other countries are doing comes from The Netherlands. The Dutch are planning a special 4-car "Holland Train" to visit 25 German cities in October-December this year. Three days will be spent in each city, giving the German trade an opportunity to get acquainted with Netherlands' products. Each car will have 15 exhibit stands, and representatives of participating firms and lady attendants will be there to inform the German trade. The train will also have a dining car for representational purposes as well as a freight car for sample storage.

## NEW WASHINGTON ADDRESSES

Great Plains Wheat, Inc., and Western Wheat Associates, Inc., effective April 1, have a new Washington address, 1030 - 15th Street, N.W. Suite 1008, Washington, D.C. 20005. The new telephone number for Great Plains is 659-1240 and for Western Wheat 659-1737.



beyond expectation, and we believe that there is a bright future here for this type of merchandise."

The show was presented by the Grocery Manufacturers of America, Inc. and Department of Agriculture to display and demonstrate the quality, versatility and variety of U.S. processed food items. Forty-seven American producers and distributors participated.

The Processed Foods Show introduced a number of new U.S. food products to the Japanese trade. Notable among these was a frosted pineapple-papaya dessert displayed by a Hawaiian exhibitor, complete dinners, frozen dessert items, and many other convenience foods. Among other products displayed at the show were processed poultry and meat products, spices and seasonings, several types of nuts, dried fruits, dietetic and non-dietetic candies, soups, canned and frozen fruits and vegetables.



The Japanese turned out in record numbers for the U.S. Processed Foods Show at the Trade Center in Tokyo. Forty-seven American producers and distributors participated.

### **TOKYO PROCESSED FOODS SHOW WIDELY ATTENDED**

A record attendance of more than 7,000 Japanese tradespeople attended the U.S. Processed Foods Show at the Trade Center in Tokyo, March 8-19. Attendance built-up during the 10-day show, reaching a crest of 1,170 visitors the last day.

Trade reaction to the show was overwhelmingly favorable. One American exhibitor commented: "I could have spent a whole year in Japan and never approached the number of valuable business contacts I have made at this show." A Japanese agent for a U.S. firm exhibiting, stated: Interest shown by trade visitors in frozen food was

### **MORE LEMONS IN FRANCE**

Exports of U.S. lemons to France have increased significantly since the California-Arizona market development program got underway. France liberalized lemon imports in 1959. Before that time, there were no imports of U.S. lemons. A market promotional program for U.S. lemons was initiated in France in early 1962, getting actively underway in the latter part of that year. Partly as a result of these promotional efforts, the U.S. lemon trade with France has about doubled, reaching a level of 842,000 79-pound boxes in 1963.

## THE FASTEST GROWING MARKET

The export trade is the fastest growing market for American farm products, stated Secretary of Agriculture Orville L. Freeman at a meeting last month with a group of lemon growers from California and Arizona.

Since 1958, while the domestic food market has grown by four percent, the value of farm products moving in commercial export trade has increased 80 percent, Secretary Freeman said. He stated that farm exports since 1958 have increased from about \$3.9 billion to a record peak of \$6.1 billion, including sales under the Food for Peace program. Sales for dollars have jumped from \$2.6 billion to \$4.6 billion during this period.

The major reason for the rapidly increasing level of farm exports is the growth of both population and buying power among the more industrialized nations together with an increasingly aggressive sales effort by the United States, the Secretary said.

He noted that this sales effort has been characterized by a strong cooperative spirit between government and industry, with more than 40 U.S. trade and farm groups working with the USDA. Market development work is underway in 67 countries and with over 200 foreign trade associations.

Increasingly, farm commodity groups, Secretary Freeman said, are financing their own export promotion programs as they recognize the enormous potential of the world market.

"The result of all these trade development efforts has been a spectacular rise in the volume of farm exports,

and the record is filled with a whole host of dramatic accomplishments. While the wheat sales last year to the Soviet Union captured front page headlines, the advances made by other commodities were even more important.

"Last year, while the Russian sales pushed wheat exports to record levels, the volume of sales in feed grains, rice, soybeans and a host of other products broke all past records. Significantly, where the Russian sales were not repeated, the sales of other products continue to rise and will likely set new records again this year.

"I anticipate that, even with the lag caused by the recent dock strike, farm exports this year will continue at near the record level set in 1964 and will push to new high ground in the next two years."

## EUROPEAN POULTRY PROGRAM

Ed Driggs, European Director, Institute of American Poultry Industries, spoke on the European Poultry Program at a recent FAS market development liaison meeting.

In 1956, when Europe began to recognize the potential in poultry, production and consumption were one-fourth to one-half their present levels. The U.S. developed a sizable market, part of which is now lost due to discriminatory trade policies in the Common Market.

The IAPI has European offices in Frankfurt, Rotterdam, and Rome. Their services include direct advertising, sales promotion, market analysis and research, technical assistance, and public information and education.



Since the Common Agricultural Policy became effective, IAPI has placed increased emphasis on promotion of chicken and turkey parts, speciality items, whole turkeys, and institutional sales. Good opportunities exist in these categories, and new sales and promotional techniques are being developed to meet the program objectives.

Mr. Driggs says that each country in Europe presents a different challenge, but that certain basic market development concepts can be applied to all countries. The IAPI market development program evolves through three basic stages:

New Market Orientation (First Stage): This activity includes a review of existing marketing data, a review of competition, and an evaluation of trade and consumer potential. Personal calls on the trade are made to develop interest. Meetings are held with advertising agencies or public relations firms to develop further information and to discuss possible promotion approaches to the market. An official committee of trade representatives is formed and meets periodically to discuss market development. The trade committee advises on preferred promotion techniques.

Second Stage: As U.S. poultry enters the market and expanding distribution begins, specific promotion plans are developed with the trade on a limited basis in direct support of the importers handling the product. This support includes preparation of merchandising materials, limited advertising, and public relations activities.

Third Stage: With U.S. poultry in national distribution, full scale promotion activities are developed with the

cooperation of the trade and advertising and public relations firms. At this stage the basic promotion concept is to create an activity to influence all levels of distribution from processor to consumer and to use every available means of communication to accomplish this objective.

These activities include direct sales calls to trade and consumers, advertising and public relations, trade and consumer demonstrations, retail sales promotion material, trade fair exhibits, and special events.

#### SOUTH AFRICAN RICE MARKET CONTINUES SPECTACULAR GROWTH

The Republic of South Africa is next to the United Kingdom as a dollar market for U.S. rice. Our exports to South Africa in 1964 were at a record 57,000 metric tons compared with 45,000 metric tons the previous year. Part of the credit for this accomplishment goes to the market development program.

Up until 1960, the U.S. share of the South African market was very small. The payment-in-kind program made U.S. rice competitive, and the market development program, which followed, helped create a strong preference for the long grain, high quality, easy-to-cook American rice.

Trade shows have been used with great success in introducing U.S. rice to South Africa. In 1963, the cooperator participated in eight trade fairs, drawing crowds from 20,000 to 600,000. The exhibit program was broadened in 1964 to include the native South Africans who make up 80 percent of the population.

The cooperator is promoting the use of a U.S. rice quality emblem for the packaged rice, and is placing some consumer advertising. Film strips, educational kits, and other promotion techniques are also being used to tell the story of U.S. rice in South Africa.

## THE IDEAL HOME SHOW

British beef eaters were introduced to U.S. quality fed beef at the March 2-27 Ideal Home Show in London, the largest food and home exposition for the trade and public in the United Kingdom.

Substantial quantities of roast beef sandwiches and hamburgers were sold at the exhibit. Commodity representatives at the London event also reported good promotional sales of U.S. rice, canned poultry, soybean oil, honey and raisin bread.

The United Kingdom is annually among the leading U.S. agricultural customers. It bought more than \$450 million worth of American farm products in fiscal 1964, more than any other country except Japan.

## WEST GERMAN HOUSEWIVES GIVE OPINION ON PRICE

When it comes to California raisins, the typical West German housewife is not as price conscious'' as has been claimed by the trade in recent years.

This and other facts about the purchase and use of dried grapes in Germany was revealed in a recent

survey carried out by the California Raisin Advisory Board.

To obtain the opinion of the average'' German housewife, a cross section of 2,000 housewives were personally interviewed. The research was started last August and completed in November with the results being supplied to all packers and exporters of California raisins.

## SPOLIGHT ITEMS WANTED

Cooperators and attaches with market development items of interest to other cooperators and attaches are invited to send their contributions to SPOTLIGHT. I hear from some of you but wish to give broader coverage, especially to items from the field relating to success stories, new techniques, office and personnel changes, etc. Photos also will be welcomed.

—The Editor





